



## The Best Organizations Turn Uncertainty into Opportunity

To BCG's network around the world,

In the face of uncertainty, it's natural to freeze, like a deer in the headlights. But waiting for clarity is a losing move. A new [BCG Executive Perspective](#) explains why now is the best time for action, breaking down today's unprecedented complexity, the potential impact to regions and sectors, and how to turn ambiguity into opportunity.

During downturns, the market splits. Organizations that innovate, digitize, and successfully acquire and integrate other companies emerge as leaders. For example, those that take advantage of lower valuations and [double down on M&A](#) experience a 4.6% increase in one-year relative total shareholder returns on core industry acquisitions and 8.5% on non-core. And [innovation leaders](#), companies that invest 1.4 times more in innovation than laggards, are rewarded with 4 times the return.

Companies do need to make the necessary defensive moves to protect themselves, but they should also reserve focus and capacity for bold plans to win—and that means having a clear understanding of both their starting point and the risk of inaction. The Executive Perspective describes a range of starting-point archetypes:

**Fortress Companies.** Organizations with high market share and financial stability can boldly leverage their advantageous starting point. They can pursue M&A, often benefiting from the lower valuation of target companies; scale new business models; and accelerate digital transformation and ESG initiatives. Not doing so means likely losses in competitive advantage and missed opportunities for growth.

**Prepared Companies.** Even when facing lower market stability, those with a

strong balance sheet can still leapfrog the competition by diversifying their business and organizational models, strengthening their supply chains, and rapidly innovating go-to-market channels. Inaction could mean not only missing out on current opportunities but also giving away additional financial buffer for the next disruption.

**Unprepared and At-Risk Companies.** Struggling organizations and those in particularly volatile markets should first adjust costs and stabilize the balance sheet. They can focus on data-driven strategic planning, consolidating supply chains and vendor relationships. The important thing is to take action. If they don't, they could become easy prey for “Fortress” or “Prepared” companies making bold moves or miss growth or margin opportunities within their segments.

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Today's world is characterized by persistent, multidimensional uncertainty. The strategies and tactics of resilience have become essential tools for leaders, independent of starting point. We can no longer rely on instinct and precedent. Instead, we need to establish a new mindset geared toward dynamic strategy.

Rich and I expect to return to this important topic soon. Please see below for the full Executive Perspective, along with other content focused on what it takes to win in the face of uncertainty.

Until next time,

A handwritten signature in black ink, appearing to read 'Christoph'.

Christoph Schweizer  
Chief Executive Officer

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